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SUBJECT: 2007-2008 ROK AND DPRK INTERNATIONAL NARCOTICS  
CONTROL STRATEGY REPORT (INCSR)

REF: SECSTATE 136782

11. (U) Per reftel, Embassy Seoul's submission for the Republic of Korea (ROK) portion of the 2007-2008 International Narcotics Control Strategy Report is provided at para 2. Input for the Democratic People's Republic of Korea (DPRK) portion of the INCSR is provided at para 3 with the understanding that information on the DPRK's narcotics-related activities is very limited.

12. (SBU) 2007-2008 INCSR input for the ROK:

#### 1I. Summary

Narcotics production or abuse is not a major problem in the Republic of Korea (ROK). However, reports continue to indicate that an undetermined quantity of narcotics is smuggled through South Korea en route to the United States and other countries. South Korea has become a transshipment location for drug traffickers due to the country's reputation for not having a drug abuse problem. This combined with the fact that the South Korean port of Pusan is one of the region's largest ports makes South Korea an attractive location for illegal shipments coming from countries which are more likely to attract a contraband inspection upon arrival. The ROK is a party to the 1988 UN Drug Convention.

#### II. Status of Country

Drugs available in the ROK include methamphetamine, heroin, cocaine, marijuana, and club drugs such as LSD and Ecstasy. Methamphetamine continues to be the most widely abused drug, while marijuana remains popular as well. Heroin and cocaine are only sporadically seen in the ROK. Club drugs such as Ecstasy and LSD continue to be popular among college students. In early 2007, ROK authorities discovered a mobile clandestine lab in South Korea that two individuals had been using to produce small amounts of methamphetamine from legally-obtained cold medicines. In response, the South Korean government implemented stricter controls on the purchase of over-the-counter medicines containing ephedrine and psuedoephedrine, requiring customer registration for quantities greater than 720 mg (a three-day standard dose).

#### III. Country Actions Against Drugs 2007

Policy Initiatives. In 2007, the Korean Food and Drug Administration (KFDA) continued to implement stronger precursor chemical controls under amended legislation approved in 2005. The KFDA continued its efforts to educate companies and train its regulatory investigators on the enhanced regulations and procedures for monitoring the

precursor chemical program. The KFDA also implemented in 2007 new regulatory oversight procedures to track and address diversion of narcotics and psychotropic substances from medical facilities and emerging patterns of abuse in South Korea of additional substances, including gamma butyrolactone (GBL), psychotropic-containing appetite suppressants, and the veterinary anesthesia ketamine.

**Law Enforcement Efforts.** In the first nine months of 2007, South Korean authorities arrested 878 persons for narcotics use, 6,041 persons for psychotropic substance use, and 591 persons for marijuana use. ROK authorities seized 18 kg of methamphetamine. Ecstasy seizures increased to 18,151 tablets from 319, approaching previous levels before 2004 (20,385 tablets). South Korean authorities seized 19.6 kg of marijuana. (NOTE: All figures provided are from the first nine months of the year. Total figures for 2007 are not available.) South Koreans generally do not use heroin; and cocaine is used only sporadically, with no indication of its use increasing.

**Corruption.** There were no reports of corruption involving narcotics law enforcement in the ROK in 2007. As a matter of government policy, the ROK does not encourage or facilitate illicit production or distribution of narcotic or psychotropic or other controlled substances, or the laundering of proceeds from illegal drug transactions.

**Agreements and Treaties.** South Korea has extradition treaties with 23 countries and mutual legal assistance treaties in force with 18 countries, including the United States. South Korea is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by its 1972 Protocol. South Korea has signed, but has not yet

ratified, the UN Convention on Transnational Organized Crime and the UN Convention against Corruption. Korean authorities exchange information with international counter narcotics agencies such as the United Nations Office on Drugs and Crime (UNODC) and the International Criminal Police Organization (INTERPOL), and have placed Korean National Police and/or Korea Customs Service attaches in Thailand, Japan, Hong Kong, China, and the United States.

**Cultivation/Production.** Legal marijuana and hemp growth is licensed by local Health Departments. The hemp is used to produce fiber for traditional hand-made ceremonial funeral clothing. Every year, each District Prosecutor's Office, in conjunction with local governments, conducts surveillance into suspected illicit marijuana growing areas during planting or harvesting time periods to limit possible illicit diversion. In the first six months of 2007, local authorities seized 274 marijuana plants, down significantly from 3,783 in the first nine months of 2006. Opium poppy production is illegal in South Korea, although poppy continues to be grown in Kyonggi Province where farmers have traditionally used the harvested plants as a folk medicine to treat sick pigs and cows. Opium is not normally processed from these plants for human consumption. Korean authorities continue surveillance of opium poppy-growing areas and seized 13,927 poppy plants in the first six months of 2007.

**Drug Flow/Transit.** Few narcotic drugs originate in South Korea. The exportation of narcotic substances is illegal under South Korean law, and none are known to be exported. However, the ROK does produce and export the precursor chemicals acetone, toluene, and sulfuric acid. Transshipment through South Korea's ports remains a serious problem. ROK authorities recognize South Korea's vulnerability as a transshipment nexus and have undertaken greater efforts to educate shipping companies of the risk. ROK authorities, ability to directly intercept the suspected transshipment of narcotics and precursor chemicals has been limited by the fact that the vast majority of the shipping containers never enter ROK territory. Nonetheless, the ROK continued its international cooperation efforts to monitor and investigate transshipment cases. In the previous year, ROK authorities

and the Seoul DEA Country Office completed a modified controlled delivery of crystal methamphetamine originally intended for transshipment through South Korea from China to Guam, resulting in the dismantling of an international crystal methamphetamine organization in the U.S. and South Korea. Redoubled efforts by the Korean Customs Service (KCS) have resulted in increased seizures of methamphetamine and marijuana (12.4 kg and 7.7 kg respectively in the first 6 months of 2007) transported by arriving passengers and through postal services at South Korea's ports of entry. Most methamphetamine smuggled into South Korea comes from China. A majority of the LSD and Ecstasy used in South Korea has been identified as coming from North America or Europe. People living in metropolitan areas are known to use marijuana originating in South Africa and Nigeria, whereas those living in rural areas appear to obtain their marijuana from locally produced crops. ROK authorities also report increased instances of marijuana use among the foreign population in South Korea in recent years, a trend that is most likely the result of increased law enforcement efforts targeting this segment of the population.

#### IV. U.S. Policy Initiatives and Programs

**Policy Initiatives and Programs.** The U.S. Embassy's Drug Enforcement Administration (DEA) Seoul Country Office and U.S. Immigration and Customs Enforcement (ICE) officials work closely with ROK narcotics law enforcement authorities, and the DEA considers this working relationship to be excellent.

**Bilateral Cooperation.** The DEA Seoul Country Office has focused its 2007 efforts on international drug interdiction, seizures of funds and assets related to illicit narcotics trafficking, and the diversion of precursor chemicals in South Korea and in the Far East region. In 2007, the DEA Seoul Country Office organized, coordinated, and hosted a one-week training seminar on International Asset Forfeiture and Money Laundering Investigations. This training was co-hosted by the Korean Supreme Prosecutors Office (KSPO) with 50 prosecutors, investigators, and analysts from the Korea Financial Intelligence Unit, KSPO, KCS, Korean National Intelligence Service (KNIS), and the Korean National Police Agency (KNPA) in attendance. The DEA Seoul Country Office continues to share intelligence regarding the importation of precursor chemicals into South Korea from the United States

and other Asian countries with the KFDA, KCS, KSPO, and KNIS.

DEA also works closely with the KSPO and KCS in their activities to monitor airport and drug transshipment methods and trends, including the use of international mail by drug traffickers.

**The Road Ahead.** ROK authorities have expressed concern that the popularity of South Korea as a transshipment nexus may lead to greater volume of drugs entering Korean markets. Korean authorities fear increased accessibility and lower prices could stimulate domestic drug use in the future. South Korean authorities also indicate a growing concern about the importation of narcotics, psychotropic drugs, and illegal medicines purchased via the internet, predominately from web sites maintained in the United States. In the first nine months of 2007, South Korean authorities intercepted 341 internet-based drug purchases. In response, Korean authorities established Memorandum of Understanding with a number of Korean internet portal sites to allow the KNPA to track and intercept such purchases. The South Korean government is currently seeking further international cooperation to better navigate the legal complexities surrounding the prosecution of transnational cyber crimes. The DEA Seoul Country Office will continue its extensive training, mentoring, and operational cooperation with ROK authorities.

#### 13. (SBU) 2007-2008 INCSR input for the DPRK:

##### 1I. Summary

For decades, North Koreans have been arrested for trafficking

in narcotics and engaging in other criminal behavior and illicit activity, including passing counterfeit U.S. currency and trading in copyrighted products. There were no confirmed instances of drug trafficking involving North Korea or its nationals during 2007. Anecdotal evidence suggests that trafficking and drug abuse in the DPRK and along its border with China continues. There also continued to be press, industry and law enforcement reporting of DPRK links to counterfeit cigarette trafficking and counterfeit U.S. currency. The Department is of the view that it is likely, but not certain, that the North Korean government has sponsored criminal activities in the past, including narcotics production and trafficking, but notes that there is no evidence for several years that it continues to traffic in narcotics. The DPRK is not a party to the 1988 UN Drug Convention.

## II. Status of Country

During 2007, there were numerous reports in the Japanese media of drug trafficking along the DPRK/Chinese border. According to these reports, Japanese criminal figures were traveling to the DPRK-PRC border area to purchase methamphetamine for smuggling back to Japan. The Department is unable to confirm the accuracy of these reports, and if true, the reports seem to involve small-scale trafficking by individuals, not large-scale organized trafficking managed by the state. There are indications that drug use in the DPRK may be increasing. In March 2006, the DPRK published a decree which warns citizens, state factories and groups in the DPRK to "not sell, buy, or use drugs illegally." According to the decree, "Organizations, factories and groups should not illegally produce or export drugs." Punishment is severe, up to death, and the family members and shop mates of offenders face collective responsibility and punishment with the perpetrator. The DPRK also has an existing antinarcotics law. The appearance of this new decree, its draconian penalties, and the fact that it is signed by the DPRK's National Security Council suggest that drug use and trafficking within the DPRK itself has come to the attention of authorities, and is viewed as a problem requiring a serious response.

The "Pong-Su" incident in Australia in April 2003 renewed worldwide attention to the possibility of DPRK state-sponsorship of drug trafficking. The "Pong-Su", a sea-going cargo vessel owned by a North Korean state enterprise, was seized after delivering a large quantity of pure heroin to accomplices on shore. The trial of the "Pong-Su" captain and other senior officers, including a DPRK Korean Workers' Party Political Secretary, concluded in March 2006 with the captain and the others found not guilty by an Australian jury. Four other defendants associated with the incident pled guilty, and are serving long prison sentences in Australia. These defendants included three individuals

who were apprehended in possession of heroin brought to Australia aboard the "Pong-Su", and another individual who came to Australia aboard the "Pong-Su", and was apprehended on the same beach where some of the heroin was found. The "Pong-Su" itself was destroyed by Australian military aircraft, as property forfeited to Australia because of its involvement in narcotics trafficking.

In May 2006, Japanese prosecutors charged Woo Sii Yun, an ethnic Korean and long-term resident of Japan, and Katsuhiko Miyata, reputedly a Japanese gang member, with involvement in several 2002 methamphetamine drug smuggling incidents. The 2002 smuggling incidents involved several instances of DPRK vessels leaving hundreds of kg of methamphetamine drugs to float offshore for pick-up by criminals in Japan. The police were led to Yun by the discovery of his phone number stored in the memory of a cell phone found aboard a DPRK patrol boat that sunk after a gun battle with the Japanese Coast Guard in late 2001. Alerted to Yun's possible involvement in narcotics trafficking with DPRK accomplices, Japanese police investigated his financial records and found several large payments from criminal elements in Japan. Japanese officials

suspect these payments were for drugs from North Korea. Japanese authorities also suspect the sunken DPRK patrol boat of involvement in earlier instances of methamphetamine trafficking to Japan. The charges against Yun connect the DPRK more closely to methamphetamine smuggling to Japan, as key lead information -- Yun's phone number -- was found aboard a North Korean patrol vessel.

Department has no evidence to support a finding that drug trafficking has stopped. It is also certainly possible that DPRK entities previously involved in narcotics trafficking recently have adopted a lower profile or better operational security.

### III. Country Actions Against Drugs in 2007

DPRK officials have ascribed past instances of misconduct by North Korean officials to the individuals involved, and stated that these individuals would be punished in the DPRK for their crimes. A 2004 edition of the North Korean Book of Law contains the DPRK's Narcotics Control Law, and the DPRK government in 2007 re-affirmed its intent to punish drug traffickers severely, including with the death penalty, by issuing a new special decree in March 2006, signed by the DPRK's National Security Council. There is no information available to the Department concerning enforcement of these laws or other legal actions taken against North Korean officials and citizens involved in drug trafficking in DPRK, or upon the return of North Korea citizens to the DPRK.

### IV. U.S. Policy Initiatives and Programs

The United States has made it clear to the DPRK that it has concerns about the DPRK's involvement in a range of criminal and illicit activities, including narcotics trafficking, and that these activities must stop. The United States thoroughly investigates all allegations of criminal behavior impacting the United States by DPRK citizens and entities, prosecutes cases under U.S. jurisdiction to the fullest extent of the law, and urges other countries to do the same.

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